

STATE OF ALASKA
ALASKA OIL AND GAS CONSERVATION COMMISSION

3001 Porcupine Drive
Anchorage Alaska 99501-3192

Re: THE APPLICATION OF ARCO) Conservation Order No. 294
ALASKA, INC. for an order)
granting an exception to) ARCO Alaska Inc.
spacing requirements of) Pt. McIntyre No. P2-56
Title 20 AAC 25.055 to provide)
for the drilling of the ARCO)
Pt. McIntyre No. P2-56 well.) March 20, 1992

IT APPEARING THAT:

1. ARCO Alaska, Inc. submitted an application dated February 5, 1992 requesting an exception to 20 AAC 25.055(a)(3) to allow drilling the ARCO Pt. McIntyre No. P2-56 well closer than 500 feet to a quarter section line.
2. Notice of hearing was published in the Anchorage Daily News and the Anchorage Times on February 12, 1992 pursuant to 20 ACC 25.540 and in the Alaska Administrative Journal on February 17, 1992.
3. One protest to the application was received February 27, 1992.
4. The protest was deemed improper and denied.

FINDINGS:

1. The ARCO Pt. McIntyre No. P2-56 well as proposed will be directionally drilled from a surface location 578 feet from the north line (FNL), 1222 feet from the west line (FWL) of Section 14, T12N, R14E, Umiat Meridian to a bottom-hole location 2392 feet FSL, 2542 feet FWL, Section 14, T12N, R14E, Umiat Meridian.
2. Offset operators/owners Exxon Corporation and BP Exploration (Alaska) Inc. have been duly notified.

March 20, 1992

Page 2

3. An exception to 20 AAC 25.055(a)(3) is necessary to allow drilling of the well.

CONCLUSION:

Granting a spacing exception to allow drilling of the ARCO Pt. McIntyre No. P2-56 well as proposed will not result in waste nor jeopardize correlative rights.

NOW, THEREFORE IT IS ORDERED:

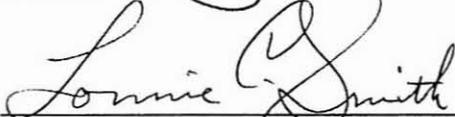
ARCO Alaska, Inc.'s application for an exception to 20 AAC 25.055 for the purpose of drilling the Pt. McIntyre No. P2-56 well is approved as proposed.

DONE at Anchorage, Alaska and dated March 20, 1992.





David W. Johnston, Chairman
Alaska Oil and Gas Conservation Commission



Lonnie C. Smith, Commissioner
Alaska Oil and Gas Conservation Commission



Russell A. Douglass, Commissioner
Alaska Oil and Gas Conservation Commission